

Todd F. Silbergeld  
Director  
Federal Regulatory

SBC Communications Inc.  
1401 I Street, N.W.  
Suite 1100  
Washington, D.C. 20005  
Phone 202 326-8888  
Fax 202 408-4806

EX PARTE OR LATE FILED



January 26, 1998

EX PARTE OR LATE FILED

**NOTICE OF EX PARTE PRESENTATION**

RECEIVED

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554

JAN 26 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: *In the Matter of Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Oklahoma, CC Docket No. 97-121*

Dear Ms. Salas:

Please be advised that, on January 23, 1998, Paul Mancini, W.C. Deere, William Adair, and the undersigned, representing SBC Communications Inc., met with Michael Riordan, Carol Matthey, Michael Pryor, Greg Cooke, David Kirschner, Susan Launer, and Jeannie Su of the Commission's staff in connection with the above-referenced proceeding. The purpose of the meeting was to discuss "checklist" compliance with respect to number administration, dialing parity, and access to 911 and E-911 services.

During the course of the meeting, representatives provided the attached document that surveys the status of local exchange competition in SBC's operating region.

Should you have any questions concerning the foregoing, do not hesitate to contact me. In accordance with the Commission's rules, an original and one copy of this notification are submitted herewith.

Very truly yours,

Attachment

cc: Dr. Riordan, Ms. Matthey, Mr. Pryor, Mr. Cooke, Mr. Kirschner, Ms. Launer, Ms. Su

No. of Copies rec'd  
List ABCD

022

## **SBC'S SUCCESS IN OPENING ITS LOCAL MARKETS: SIGNIFICANT LOCAL COMPETITION EXISTS AND IS GROWING**

SBC (Southwestern Bell Telephone, Pacific Bell and Nevada Bell) has dedicated significant resources and investment to open its markets to local competition and to comply with all requirements contained in the 1996 Telecommunications Act. As described in detail below, SBC has made products, services and systems required by Section 251 and the competitive checklist of the 1996 Act available, and competitive local exchange carriers ("CLECs") have ordered and are actually using these checklist services and products to provide local service in all seven SBC states. As a result of SBC's compliance efforts, CLECs now have everything they need to compete against SBC and can use resale, interconnection or unbundled network elements to compete for and take SBC customers.

### **SBC's Capital and Expense Investments To Open Its Markets**

- From the passage of the 1996 Act on February 6, 1996 through year-end 1997; SBC has devoted significant financial, technical and personnel resources to implement the market- and network-opening requirements of Sections 251 and 252 of the Act. SBC has spent almost \$1 billion through the end of 1997 implementing the Act and opening its local markets to competition- including but not limited to equipment, computer hardware and software and manpower. By the end of 1998, SBC estimates that it will have spent a total of \$1.5 billion making certain it meets the requirements of the Act.
- Of the almost \$1 billion SBC has spent opening its local markets since the 1996 Act was passed, approximately \$340 million alone has been devoted to implementation of long-term number portability. Approximately \$600 million has also been spent on expense and capital costs incurred to make extensive changes and modifications to SBC's trunking networks in order to accommodate present and anticipated future CLEC traffic flows (e.g., tandem trunking, facility interconnection, customized routing, Access7, originating line number screening, unbundled network elements etc.) SBC has also devoted significant resources to develop and implement various forms of access to SBC's operations support systems ("OSS") to provide CLECs with access to SBC's pre-ordering, ordering, provisioning, repair & maintenance and billing systems. Finally, SBC has established and staffed four Local Service Centers to act as a single point of CLEC contact for the ordering and provisioning of interconnection facilities, resold services and unbundled elements.

### **Number of Employees**

- By the end of 1997, more than 3,400 employees or contract staff in SWBT, Pacific Bell and Nevada Bell were dedicated to implementing the market-opening requirements contained in the 1996 Act, including staffing SBC's four local service centers in Anaheim, Dallas, Fort Worth and San Francisco which handle and process CLEC orders.

### Interconnection Agreements

- Signed Agreements: SBC and CLECs have signed 269 interconnection and resale agreements within SBC's seven-state service area.
- PUC Approved Agreements: The various state commissions have approved more than 210 SBC-CLEC interconnection and resale agreements. These approved agreements give the CLECs everything they say they need to provide local services and compete against SBC. There are a large number of approved agreements in each of SBC's states: Texas: 82; California: 38; Kansas: 23; Arkansas: 21; Oklahoma: 20; Missouri: 19 and Nevada: 11 approved agreements.
- Current Negotiations: SBC currently is in the process of negotiating more than 370 additional interconnection and resale agreements.

### CLECs Competing Against SBC

- As of the end of 1997, more than 160 CLECs were operational in SBC's territory and passing resale, interconnection or UNE orders to SBC. Over 80 CLECs were passing orders in Texas alone.

### SBC Access Lines Lost to CLECs

- Through the end of 1997, more than 560,000 access lines have been lost to CLECs through resale or through the establishment of new facilities-based service by CLECs in SBC's seven-state service area. More than 520,000 SBC lines have been resold by CLECs and more than 40,000 additional lines are being served on a facilities-basis by CLECs in SBC's territory. The approximate breakdown of SBC resold lines lost to CLECs by state is as follows:

	<u>Total</u>	<u>Residential</u>	<u>Business</u>	<u>Priv. Coin</u>
a) California:	251,000	145,000	101,000	6,400
b) Texas:	215,000	170,000	34,000	11,000
c) Kansas:	29,000	13,000	16,000	0
d) Oklahoma:	8,900	7,200	1,600	9
e) Arkansas:	8,300	7,100	1,100	0
f) Missouri	4,800	435	4,400	0
g) Nevada	3,000	600	2,400	0
SBC 7 STATES:	521,000	343,000	160,000	17,400

- Resale activity is escalating dramatically in SBC's territory. In the 23 months since the Act was passed, SBC has lost more than 520,000 resale lines to competitors. More than 220,000 were lost in the last 4 months of 1997 alone – with CLECs capturing an average of 55,000 resold lines from SBC in each of those months. This means that CLECs have captured more than 42 percent of their total resold lines from SBC since September 1997. Resale activity in SWBT's five states, in particular, has increased dramatically in recent months. In October 1997 alone SBC lost more than 60,000 resold lines to CLECs. Moreover, for the first six months of 1997, SWBT lost an average of 9,100 resold lines per month, but this number increased three-fold to an average of over 35,000 lost resold lines for the last five months of 1997.

#### Interim Number Portability—One Indicator of Facilities-Based Competition

- More than 40,000 numbers have been ported via interim number portability by SBC for CLEC use in its seven states. Each of the numbers ported represents conversion of a line from SBC to a facilities-based CLEC provider. Hence, in addition to the 520,000 access lines that have been lost to CLECs through resale, at least 40,000 additional lines have been lost by SBC to facilities-based carriers. It should be noted, that SBC has no precise or accurate method for determining exactly how many additional lines or customers are being served by facilities-based providers in its seven states.

#### CLEC Orders Handled by SBC's OSS and Local Service Centers

- SBC's operations support systems processed over 1.2 million service orders from CLECs in 1997 in its seven states. In December alone, SBC processed more than 173,000 service orders from CLECs to order resold or second lines for their customers, change or add vertical services etc. Since the 1996 Act passed, SBC's OSS and Local Service Center personnel have handled more than 1.3 million CLEC service orders. Over 770,000 orders from CLECs have been processed in the SWBT five-state region and more than 560,000 orders in California/Nevada. The fact that SWBT processed more than 730,000 orders in 1997, over 130,000 orders in December alone, without a backlog is strong evidence that SWBT has developed state-of-the-art OSS and that these systems are being used by CLECs to compete in the local market against SWBT.
- SBC also demonstrated in Texas that its OSS could handle large increases in volumes from CLECs. Between July and September, AT&T's service orders in SWBT's states increased by more than 23 fold. In July, AT&T posted fewer than 900 service orders in SWBT's five state service area. AT&T's volume increased to approximately 13,500 orders in August, and increased significantly in September to over 21,000 orders. By December, SWBT processed over 114,000 service orders from AT&T and other CLECs in Texas. SWBT's OSS and LSC have handled the increased volume of resold access lines and service orders without experiencing a backlog.

### FACILITIES-BASED COMPETITION STATUS:

The following facts and figures demonstrate that SBC has opened its local markets to competition and that SBC is providing CLECs with the facilities they request from SBC in order to compete on a facilities-basis in the local exchange market.

#### Facilities-Based Competition Activity

- As described above, over 40,000 lines have been ported via interim number portability and this is one indicator of facilities-based competition that has occurred in SBC's seven states.
- CLECs currently are providing facilities-based local service to business customers in all seven SBC states.
- SBC is making available to CLECs through PUC-approved interconnection agreements and its new and modified systems and networks, all products, services and systems that CLECs need to provide facilities-based or UNE-based local service to residential customers. Available information indicates that CLECs are definitely providing facilities-based service to residential customers in California and Texas, and probably in other SBC states.

#### UNEs, Interconnection and Other Facilities-Based Products Provided By SBC to CLECs

- SBC has provisioned more than 174,000 one-and two-way interconnection trunks to CLECs in SBC's seven-state service area. These trunks allow CLECs to connect their networks and customers to SWBT's network. 108,000 of these trunks were provisioned in California and 65,000 interconnection trunks were provided to CLECs in the SWBT five-state region.
- More than 19,000 unbundled loops have been provisioned by SBC to CLECs in SBC's seven states. More than 530 unbundled switch ports have been requested by and provided to CLECs by SBC.
- CLECs have requested and SBC has provisioned 416 operational E-911 trunks to CLECs in SBC's seven-state service area. Of this number, 326 are located in California and about 90 are in SWBT states.
- More than 670 Directory/Operator Assistance trunks have been provisioned by SWBT to CLECs in the five SWBT states.

#### CLEC Collocation Arrangements

- More than 300 physical collocation arrangements are operational in SBC's seven-state service area -- 33 of these are in SWBT's region, with 269 in California/Nevada.

- More than 240 physical collocation arrangements (146 in SWBT and 98 in California/Nevada) are currently being worked on and pending completion.
- More than 50 virtual collocation arrangements are operational in SWBT's five-state territory, with an additional 16 pending completion.

#### Reciprocal Compensation

- A substantial amount of traffic has been exchanged between SBC and CLECs, with most of that traffic (and the corresponding reciprocal compensation) going from SBC to the CLECs. For example, more than 5.3 **billion** minutes of traffic was exchanged between SWBT/Pacific Bell/Nevada Bell and CLECs over interconnection trunks in 1997. These figures demonstrate that SBC's networks are open to and connect with CLEC networks.

#### Telephone Numbers Requested By and Assigned to CLECs

- More than 1,675 NXX codes (each code representing 10,000 numbers) have been assigned to CLECs in SBC's seven-state service area, with an additional 146 assignments pending. In other words, CLECs have requested and SBC has assigned 16.7 million telephone numbers to CLECs in its seven states; more than 8.3 million numbers have been requested by CLECs in California and an additional 8.4 million numbers have been requested in SWBT's five states.

#### Access to SBC White Page Directories

- CLEC information can be included in all White Page directories in SBC's seven state service areas. SBC has provided almost 400,000 white pages listings for CLEC customers.

#### Access to SBC Poles and Conduits

- SBC has provided competitors with access to over 2 million of its poles and over 7.5 million feet of conduit space for their use to compete against SBC in its seven states.

#### Conclusion

- The resale, facilities-based and OSS-related numbers listed above, provide strong and compelling evidence that SBC has opened each of its seven states to resale, facilities-based and UNE competition and that SBC provides CLECs with all the systems and services they need to capture SBC's local customers.
- A neutral examination of the record unequivocally demonstrates that SBC has complied with the 1996 Act and has opened its local markets to competition.

1/19/98 Report Date

Data through 12/97 unless otherwise noted

**SBC's Section 251 / Checklist Provisioning Status**

Data through: 12/97 (unless otherwise noted)

Report Date: 1/19/98

Shaded data pending

#	CHECKLIST DESCRIPTION	PRODUCTS PROVIDED	AR	KS	MO	OK	TX	SWBT's 5 States	CA	NV	SBC TOTAL
1	Interconnection for the transmission and routing of telephone exchange service and exchange access at any technically feasible point within the carrier's network.	Trunks (SBC to LSP) Trunks (LSP to SBC) Trunks (Two Way) Total Trunks Trunks Provided to CLECs  Physical Collocation Operational Cages Pending Cages Virtual Collocation Operational Arrangements Pending Arrangements Total Number of Collocated Wire Centers **	1,776 490 672 2,938  3 5 2 1 3	883 348 204 1,435  3 9 5 1 4	3,240 1,095 660 4,995  6 23 8 1 7	4,683 997 552 6,232  13 7 3 5 11	30,241 10,325 9,253 49,819  8 102 35 8 25	40,823 13,255 11,341 65,419  33 146 53 16 50	11,688 1,560 94,543 107,791  265 85 N/A N/A 120	0 0 1,045 1,045  4 1 N/A N/A 3	52,511 14,815 106,929 174,255  302 232 53 16 173
2	Nondiscriminatory access to network elements. (In addition, See Items 3-6 below)	Access to Operations Support Systems (OSS) Available? Number of CLECs passing orders (1997) Total orders processed (2/6/96 - 12/31/97) * Manual Electronic Total orders processed in 1997 * Manual Electronic Total orders processed in December 1997 * Manual Electronic	Yes 11 19,035 19,035 0 19,035 19,035 0 4,700 4,700 0	Yes 11 41,476 28,972 12,504 41,476 28,972 12,504 5,686 3,831 1,855	Yes 14 6,400 6,313 87 6,396 6,309 87 842 833 9	Yes 10 22,836 20,412 2,424 22,832 20,408 2,424 4,852 4,204 648	Yes 87 682,702 536,681 146,021 641,098 495,077 146,021 114,073 67,463 46,610	Yes 133 772,449 611,413 161,036 730,837 569,801 161,036 130,153 81,031 49,122	Yes 26 560,524 100% in 1996 0% in 1996 491,327 ~ 80% ~ 20% 42,986 ~ 80% ~ 20%	Yes 5 3,511 N/A N/A 3,511 N/A N/A 622 N/A N/A	Yes 164 1,336,484         173,761
3	Nondiscriminatory access to poles, ducts, conduits and rights of way.	Total Number of Poles Attached Total Feet of Duct Occupied (SWBT a/o 1/97, PB a/o 8/97)	68,024 27,313	78,503 20,416	194,458 33,895	116,420 30,589	458,033 268,754	915,438 380,967	1,181,461 7,143,585	Data Not Available	2,096,899 7,524,552
4	Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services.	Unbundled Loops DSO VG Cross-Connects	40 40	79 87	128 128	79 79	207 207	533 541	14,408 Data Not Available	4,130 Data Not Available	19,071 < 541
5	Local transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services.	Unbundled Transport Unbundled Dedicated Transport Available? Unbundled Shared Transport Available?	Yes Yes	Yes Yes	Yes Yes	Yes Yes	Yes Yes	Yes Yes	Yes Yes	Yes Yes	Yes Yes
6	Local switching unbundled from transport, local loop transmission or other services.	Unbundled Switch Ports	0	0	0	0	191	191	89	0	280
7	Nondiscriminatory access to 911 and E911, directory assistance, and operator call completion services.	E911 Trunks DA/OA Trunks	12 66	16 0	8 72	18 70	34 466	88 674	326 N/A	2 N/A	416 674
8	White pages directory listing for customers of other carrier's telephone exchange service.	Number of White Pages listings (SWBT a/o mid 1/98) Resale Facilities Based Total	7,158 370 7,528	19,716 8 19,740	2,214 133 2,427	8,318 821 9,227	1,484 135,602 137,777	38,890 136,934 176,699	Resale / Facilities Based Split Not Available 200,514	7,000	384,213
9	Nondiscriminatory access to telephone numbers for assignment to the other carrier's telephone exchange	NXX Codes Assigned to CLECs Numbers Assigned to CLECs NXX Codes Pending Numbers Pending	11 0.11M 1 0.01M	4 0.04M 0 0	100 1M 0 0M	33 0.33M 0 0M	693 6.93M 10 0.1M	841 8.41M 11 0.11M	832 8.32M 135 1.35M	3 0.03M 0 0M	1,676 16.76M 146 1.46M
10	Nondiscriminatory access to databases and associated signaling necessary for call routing and completion.	Access to 800, Line Information Database (LIDB), Calling Name Delivery Database (CNAM), and SS7 Signaling Network Available?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
11	Interim number portability through	Lines Converted via INP									

# SBC's Section 251 / Checklist Provisioning Status

Data through: 12/97 (unless otherwise noted)  
Shaded data pending

Report Date: 1/19/98

CHECKLIST DESCRIPTION		PRODUCTS PROVIDED					SWBT's		CA		NV		SBC TOTAL
		AR	KS	MO	OK	TX	5 States						
RCF or DID trunks. Each line ported represents conversion from SBC to a facilities based provider.	Residential Lines	0	0	0	0	36	36	Res/Bus Split		0			
	Business Lines	258	134	274	5,453	7,682	13,801	Not Available		6,945			
	Total	258	134	274	5,453	7,718	13,837		19,279	6,945			40,061
12	Nondiscriminatory access to services and information required to allow implementation of dialing parity	Yes	Yes	Yes	Yes	Yes	Yes		Yes		Yes		Yes
13	Reciprocal compensation arrangements. (Note 1)	<b>Minutes of Use Exchanged Over Interconnection Trunks in 1997</b>											
		From SBC to CLEC	12,908,603	0	12,670,904	79,706,852	136,018,731	241,305,090	5,060,199,621				5,301,504,711
		From CLEC to SBC	6,562,497	0	0	3,065,885	55,581,424	65,209,806					65,209,806
		Total	19,471,100	0	12,670,904	82,772,737	191,600,155	306,514,896	5,060,199,621		0		5,366,714,517
14	Offering for resale at wholesale prices any telecommunications services offered at retail to subscribers who are not themselves carriers.	<b>Resold Access Lines</b>											
		Business Lines	1,164	16,115	4,392	1,653	34,431	57,755	100,560		2,484		160,799
		Private Coin Lines	0	0	0	9	10,939	10,948	6,427		0		17,375
		Residential Lines	7,162	13,169	435	7,232	169,877	197,875	144,786		596		343,257
		Total	8,326	29,284	4,827	8,894	215,247	266,578	251,773		3,080		521,431

Note 1: SWBT Total does not include xxx M disputed Internet minutes of use.

\* CA Order Volumes include Resale activity only. All others include Resale and Facilities Based orders.

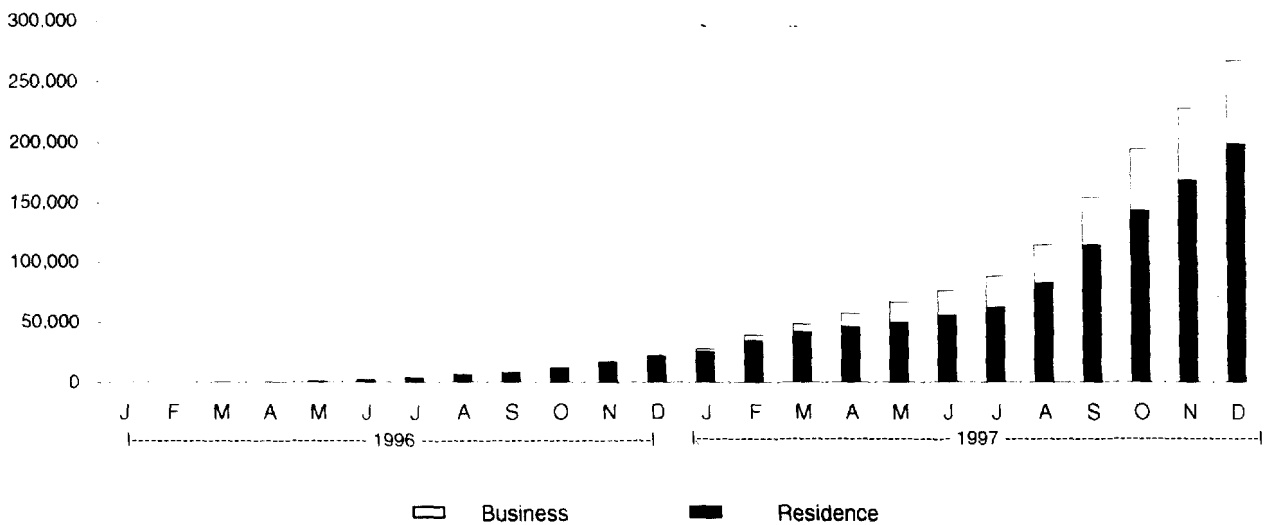
\*\* CA collocated offices include operational and pending arrangements.

CLEC Interconnection Agreements		PRODUCTS PROVIDED					SWBT's		CA		NV		SBC TOTAL
		AR	KS	MO	OK	TX ***	5 States						
	Number Signed	24	31	30	35	95	215		39		15		269
	Number Approved	21	23	19	20	82	165		38		11		214
	Number of Arbitrations Completed	1	2	3	1	5	12		4		0		16
	Number of Arbitrations In Progress	0	1	0	0	4	5		0		1		6
	Number Under Negotiation	49	51	58	48	116	322		35		20		377

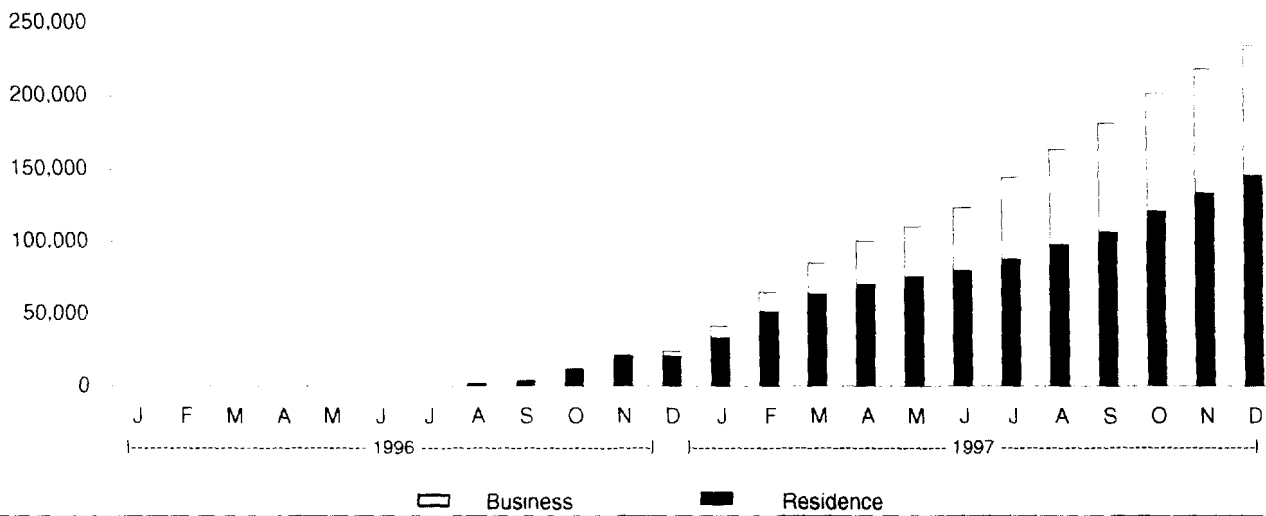
\*\*\* TX Completed Arbitrations reflect the "Mega-Arbitration" involving 5 CLECs as a single completed arbitration.

# SBC Resold Lines - Cumulative Resale Lines Lost to CLECs

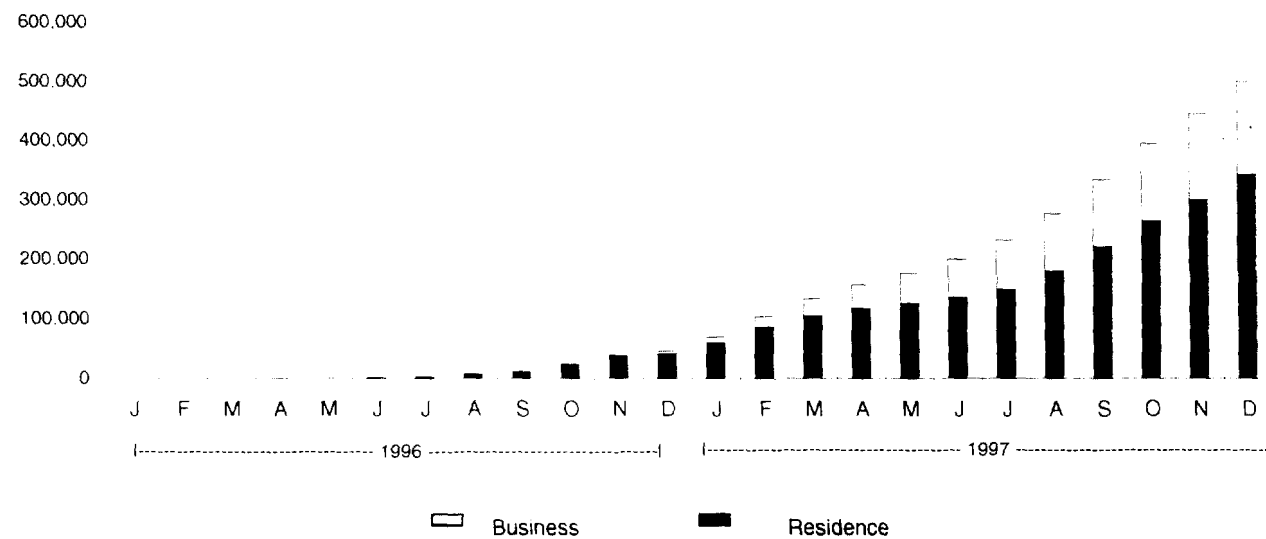
## Southwestern Bell Telephone



## Pacific Bell

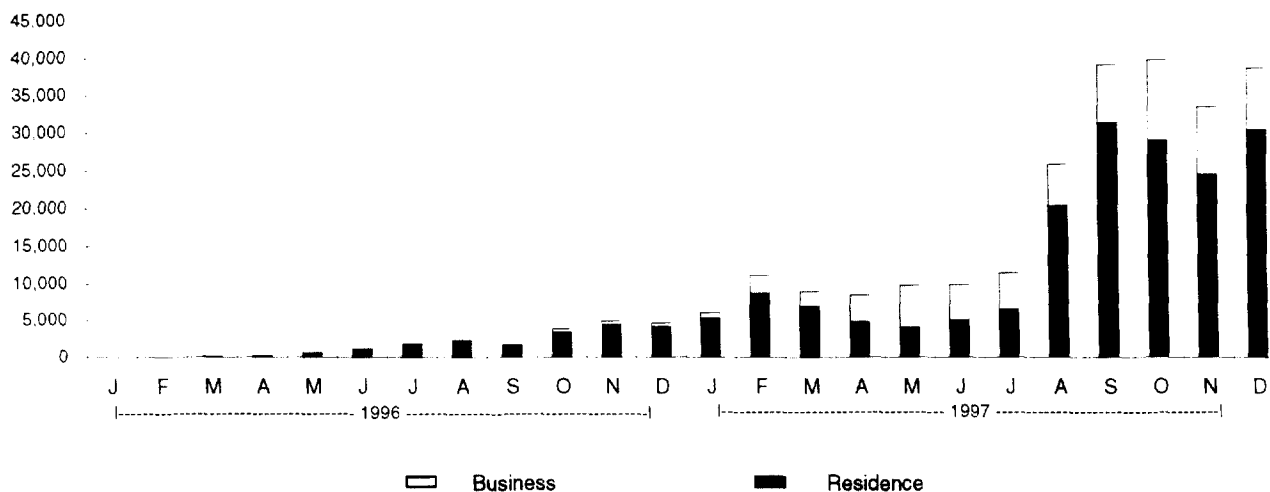


## SBC Consolidated

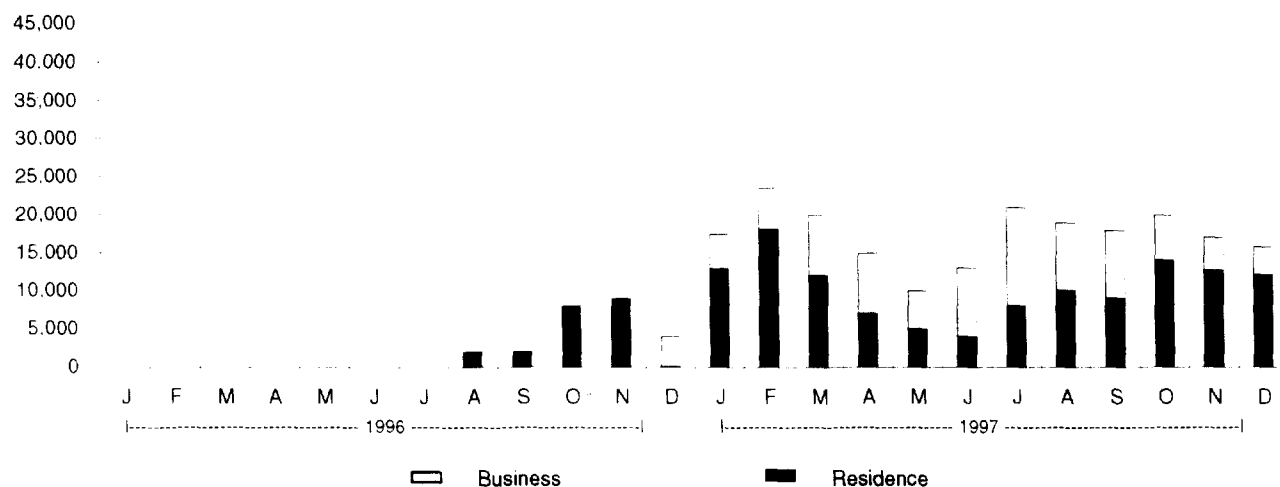


# SBC Resold Lines - Monthly Resale Lines Lost to CLECs

## Southwestern Bell Telephone



## Pacific Bell



## SBC Consolidated

